

## **UK Domestic Advisory Group Statement ahead of EU-UK Summit**

The UK- EU Summit on 19<sup>th</sup> May 2025 presents a major opportunity for a new strategic alliance built on enhanced co-operation beyond the boundaries of the current TCA.

Europe must be greater than the sum of its parts and closer cooperation between the UK and the EU, which respects both parties' sovereignty in regulatory and trade policy matters, is a key priority for the DAG. A mutually beneficial strategic alliance offers many opportunities for Europe as a whole, by reducing trade barriers and delivering growth, jobs and prosperity for all.

The TCA provides the basis for our trading relationship with the EU, but there is significant room for improvement. In our opinion, the status quo is no longer sufficient, for the UK or the EU, and the UK-EU DAG joint statement of September 2024 outlined the basis of how the relationship could be improved. [[please see here](#)]

With an ambitious and pragmatic approach to the upcoming Summit, the UK and EU can make meaningful progress of mutual benefit. This inaugural Summit must set out a clear roadmap for future co-operation with key deliverables and commitments. The UK DAG stands ready to support the UK Government in its aim to improve trade and co-operation with the EU by bringing together insight and experience from business, trade unions and civil society.

We note the unique situation of Northern Ireland with the commitments incorporated in the Windsor Framework. However, challenges remain in its implementation which has an impact on business, workers and citizens. An agreement on veterinary medicines, similar to that agreed for human medicines, is especially important to assure the long-term availability of veterinary medicines in Northern Ireland.

### **1. Boosting growth by removing friction at borders and improving regulatory co-operation**

As the TCA allows for largely tariff free trade between the EU and UK, enhanced co-operation on non-tariff barriers provides the biggest opportunity to improve bilateral trade relations. While the EU and UK pursue their respective regulatory agendas, divergence can sometimes pose a threat to the free flow of goods and services. As such, regulatory co-operation is essential to avoid any unintended consequences. Regulatory co-operation is made easier by a common set of best practice international and European standards between the UK and EU. This common language addressing how products, processes and organisations should perform is an essential cornerstone of trust and confidence between businesses, consumers and regulators.

The DAG takes note of the UK Government's commitment to enter into negotiations with the EU on Sanitary and Phytosanitary (SPS) measures to reduce barriers in agri-food trade. As like-minded partners, the EU and the UK have a unique opportunity to cooperate on animal welfare, plant health and contribute to fighting common challenges such as the rise of antimicrobial resistance, spread of zoonotic diseases and biodiversity loss. A balanced,

proportionate agreement, which respects both sides' regulatory sovereignty, could meaningfully boost trade, and food security, whilst offering citizens greater choice and lower prices. We strongly urge the UK Government to engage in meaningful stakeholder consultation so that any such agreements take into account the interests of all sectors.

Turning towards financial services, the sector plays a leading role in helping the UK and EU achieve many of their priorities, from the transition to net zero to the digital transformation. The UK and EU seeking closer collaboration on financial services can further facilitate this; enabling the EU to have access to capital provided by financial services firms based in the UK, alongside EU based firms. Ultimately, the sector supports activity in many parts of economic life and generates jobs and growth in the UK and the EU.

Moreover, we urge both parties to work at pace to find a solution that removes the restriction on the export of British seed potatoes to the EU, to the benefit of farmers across the UK and EU.

The UK and EU should pursue closer cooperation on chemical regulations, including alignment to enhance public health and safety, foster innovation and promote best practice globally. The DAG would welcome establishing data-sharing between relevant competent authorities in the UK and the EU according to REACH Article 120, in order to assess chemicals from a comparable and consistent data set, while committing to ensuring the highest chemical and protection standards.

As like-minded partners, the EU and the UK have the unique opportunity to advance the mutual recognition agenda in industrial sectors (e.g., pharmaceutical on the batch testing of medicines, conformity assessment of medical devices), on conformity assessment and professional qualifications. Mutual recognition agreements (MRAs) are an important tool to achieve the dual objective of regulatory adherence and reducing trading costs. The EU and UK should aim to conclude agreements on mutual recognition of professional qualifications and conformity assessment. In the case of a future MRA around conformity assessment, the UK's continued membership - through BSI - of the European standardisation organisations of CEN, CENELEC and ETSI and adoption of European standards, including where there is a link to regulation, is an important factor in ensuring continued convergence in technical requirements for products.

The TCA recognises the importance of public health and health security for wellbeing and economic growth, with commitments to deepen scientific partnership and facilitate the availability of medicines. Given the borderless nature of disease and lessons from the pandemic, the UK DAG encourages work to remove barriers to the movement of medicines and medical devices, and greater cooperation on health R&D, clinical trials, health security and crisis preparedness, in the mutual interest of patients and patient safety across Europe.

The current provisions on Rules of Origin (RoO) continue to present challenges for industry on both sides. The UK and EU must look once again at the provisions on RoO on batteries and electrical vehicles which will expire in 2027. It remains vital that both parties also agree shared guidance on Cathode Active Material (CAM) for the purpose of electric vehicle and battery rules of origin as a matter of urgency as set out within the TCA. Changes are needed if we are to achieve our net zero targets. Opportunities to improve and enhance the trading relationship should include the exploration of UK accession to PEM as an additional route to compliance in EU-UK trade. UK accession to PEM could provide additional benefits for some sectors, however it would not provide all the necessary flexibilities required for others. Any discussion on UK joining PEM must be in consultation with all sectors and be seen as part of an overall approach to addressing the RoOs challenges.

Against the backdrop of improved trade and regulatory co-operation, the DAG continues to advocate support for the level playing field commitments in the TCA. Both parties should ensure mutual high standards for social and labour rights, environmental, climate and animal welfare protection, and a framework for subsidy control, all while preserving fair competition between EU and UK firms.

## 2. Promoting and enabling mobility

The DAG remains fully supportive of increasing mobility for businesses and professionals, to reduce barriers to trade.

The UK should seek to negotiate with the EU a broader range of permitted activities for short-term business visitors and allow work on a short-term basis (up to 90 days in a six-month period) without the need for a work permit, visa or economic needs test.

For longer stays where a visa or permit is needed, processing times should be reduced. In all cases, clearer information should be published on the requirements for UK-EU business mobility, in line with the commitment to transparency included in the TCA (Article 145).

Procedures at the borders should be speeded up by making the best use of the technology available, including allowing UK passport holders to use e-gates at all EU entry ports, and putting in place the appropriate infrastructure ahead of the rollout of the Entry-Exit System in the EU.

The DAG would also like to see improved youth mobility across the UK and EU. This is a clear opportunity to provide greater international training, learning, working opportunities and volunteering experiences for young people, not only supporting economic growth, but also contributing to social cohesion, democratic engagement and inclusive development. The DAG would welcome further discussions between the UK and EU on expanding mutual learning and exchange opportunities, through programmes such as Erasmus+, apprenticeships and civil society-led initiatives. The DAG would also welcome recognition of the need for enabling infrastructure to achieve this — including funding intermediary organisations, the voluntary

sector and cross-border civil society networks, as these are essential to ensuring inclusive access and equality of opportunity.

Improving arrangements for the mutual recognition of professional qualifications between the UK and the EU should also be a priority.

Music is the world's most loved and universally spoken language, extending far beyond Europe's borders. This is why the DAG strongly encourages all efforts to facilitate easier travel for touring musicians and other creative artists, along with their technical support staff, across Europe. This should include allowing them to travel visa-free for more than 90 days in a 180-day period. Programmes such as Creative Europe and the European Solidarity Corps remain clear opportunities to the UK which the government should pursue, as re-joining sends a clear message of the importance placed on promoting cultural exchange.

### 3. Climate and Energy - cooperating on the greatest challenge we share.

Climate change is the greatest challenge we collectively face, and we strongly urge the UK and EU to collaborate in tackling greenhouse emissions. That is why the DAG warmly welcomes the UK government's recent confirmation that it is actively considering the case for linking Emissions Trading Schemes (ETS). We encourage swift progress with the EU to conclude negotiations as soon as possible.

Alongside this, we urge both parties to consider a mutual Carbon Border Adjustment Mechanism (CBAM) exemption, before the EU CBAM start date of 1 January 2026. This is a clear opportunity to avoid adverse consequences on the respective markets while concluding linking negotiations, while retaining a future opportunity for further linkage, alignment and or mutual recognition of the EU/ UK CBAMs.

Cooperation on energy security of supply with the North Seas Energy Cooperation group (NSEC) is also vital, either through the restoration of full UK membership, or as close cooperation as possible. This collaboration should focus on offshore wind development and the advantages of green hydrogen energy.

### 4. Securing our collective safety and security

The DAG strongly advocates for enhanced cooperation between the EU and the UK on defence and security matters. This includes, where possible, close UK co-ordination with PESCO and European Defence Agency (EDA) projects, ensuring British defence suppliers can bid for contracts under the European Defence Fund initiative, all of which would significantly bolster the shared challenge of collective European security.

Continued operational coordination between UK and EU security agencies, particularly in areas like intelligence sharing, counter-terrorism, and cybersecurity are essential considerations to tackle shared security challenges effectively. Which is why DAG urges both parties to

consider a bespoke and comprehensive cooperation agreement covering shared capability challenges, and a formal mechanism for UK-EU dialogue on defence and secure information-sharing.

### **Conclusion**

It is clear to the DAG from discussions with our partners in EU industry and civil society, we share an ambition for a more effective, dynamic and mutually beneficial partnership building on the existing TCA.

The UK has left the European Union, but remains European with an essential role to play with our European neighbours and friends. We urge the UK government to seize this opportunity with a focus on effective pragmatism based on areas of shared interest.

Signed by the Domestic Advisory Group Executive Council, on behalf of the wider group membership - *Mike Clancy, Irene Oldfather, Sean McGuire.*